



Saratoga County Water Authority

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Charles Wait

WATER AUTHORITY MEETING

November 6, 2008 – 3:00 p.m.

PRESENT: Chairman John Lawler, SCWA Members: Anita Daly, Mary Beth Hynes, Arthur Johnson, Kevin King, Charles Wait; Bill Simcoe, SCWA Director; Craig Crist, Counsel; Leah Everhart, Mark Schachner, Special Counsel; Dan Loewenstein, Malcolm Pirnie; Ed Vopelak, C.T. Male; Rick McCarthy, Environmental Capital; Ken Claflin, Cusack & Company; Frank Thompson, Milton Town Supervisor; Mark Rider, County Attorney; Wilma Koss, SLA; Press

Chairman Lawler called the meeting to order.

Mr. Wait moved to approve the minutes of the October 1st meeting. Mr. Johnson seconded. Unanimous.

Mr. Lawler introduced Ken Claflin who performed the 2007 Audit for the Water Authority, and asked if any board members had questions after reviewing the Audit.

Mr. Loewenstein reported that the raw water intake is done, the administration building is 75% complete, the steel frame is up on the membrane building and as of last week they hadn't started putting on any siding. They concrete has been poured at the raw water pump station and the lagoons are done, the switch gear building should have been set earlier this week.

Mr. Vopelak reported that all of the pipe for Contract 3 is in the ground with the exception of about 3,000 feet, which they were unable to complete before the DEC deadline it should be done early next spring. All of the pipe on Contract 4 is done except 1,000 feet south of Ballard Road, and that should be done before the snow starts to fall. Contract 6 has the entire pipe in the ground, and will start testing the pipe and restoration shortly. Contract 7 has all but 2,700 feet of pipe in the ground, and quite a bit of it has been tested, and the bike path had been finished. Contract 5 has about 4,000-5,000 feet of pipe in the ground and a couple of bores done, Chairman Lawler asked what the total amount of pipe was for Contract 5, Mr. Vopelak said 22,000-23,000 feet. Ms. Hynes said that Oak Street had been repaired. Mr. Lawler asked Mr. King if the issues in Malta with the Zim Smith trail had been resolved, Mr. King said that it had been paved, and there was a punch list of items that have

been sent to the contractor. Mr. Lawler said it was his understanding that the contractor would fix any safety issues and if not SCWA would arrange for some other means.

Mr. Loewenstein reported that the drawings are done for the water tank and the specs are 90% complete. The general and supplementary conditions are done and just waiting for counsel's comments, by the end of next week it should be ready to put out to bid. Mr. Lawler said they we can go to bid, but we are not going to move forward with construction until financing issues are resolved with Luther Forest Technology Corporation.

Mr. Lawler reported that the contracts had been signed with the Dormitory Authority.

Ms. Everhart reported that we have paid or are close to paying for a large amount of easements acquired through eminent domain. There are some property owners who have not provided information for payment. Mr. Lawler asked if there were 3 property owners who we are in litigation with. Ms. Everhart responded that it's closer to 8 property owners who have filed claims.

Mr. Crist stated that the DOT Round Lake Bypass agreement has been fully submitted since August; DOT has approved the agreement internally and are just waiting for the comptroller to approve it.

Mr. Crist reported that both the Town of Malta and the Town of Stillwater have passed resolutions authorizing the execution of the agreement to turn the necessary apparatus over to the Water Authority; we are in the process of negotiating those agreements which are pretty standard agreements.

Mr. Simcoe stated that we have been drafting an annual report and filling out various things on the public authority's website in anticipation of filing our first annual report for PARIS, and distributed copies of the annual report to board members for their review.

Mr. Simcoe presented vouchers in the amount of \$4,193,000.00. He said that the vouchers have all been reviewed by Mr. King. **Mr. Johnson moved to authorize the payment of these vouchers. Ms. Daly seconded. Unanimous.**

Mr. Lawler stated that a suggestion was made that change orders be presented 30 days in advance to the board members. Mr. Simcoe presented 2 change orders for Kubricky Construction: one for \$684.39 which he had already approved pursuant to board policy and another for \$73,143.45 to import fill material for the raw water pump station, to expedite completion of backfilling in November. **Mr. Wait moved to approve the change order pending review of Kubricky's contract. Ms. Hynes seconded. Unanimous.** Mr. Simcoe presented a change order for contract 3 – 1,000 Oaks to increase their contract time due to the DEC permit that prohibited them from working after October 1st. Mr. Simcoe presented the first change order for contract 4 – Trinity Construction in the amount of \$94,827 in regard to the increase in material cost due to delay of access to construction sites due to easement availability. **Mr. Wait moved to approve the change orders for contracts 3 & 4. Mr. Johnson seconded. Unanimous.**

Mr. Simcoe presented the 2009 budget that is in the format for the PARIS report. **Mr. Johnson moved to adopt the 2009 budget. Mr. Wait seconded. Unanimous.**

Mr. Lawler stated that he asked Mr. McCarthy to attend the meeting to discuss adjustments in fees that were paid to consulting firms and professionals who assisted us in the bond issuance. Mr. McCarthy said that everything with the bonds went right at the end. The Authority received an excellent rating of AA from Standard & Poor's, the bonds were sold before the troubles in the financial markets, and currently similar bond sales are 100 to 200 basis points higher, The Authority would be paying between \$18 & \$36 million more if the bonds were sold at this time. Mr. McCarthy explained the increase in the underwriter's fee, and the underwriter's counsel was because they ended up doing more work than was originally expected, and it took an additional 10 months and many revisions to documents. Mr. Lawler stated that the bond issuance dragged on for sometime because the landscape kept changing, and that he personally knows how much work went into it. **Mr. Lawler moved to accept the recommendation to increase the fees for the underwriter and the underwriter's counsel. Ms. Daly seconded. Unanimous.**

Mr. Lawler stated that there was a proposal to retain Cusack & Company to perform the 2008 Audit. **Mr. Wait moved to approve the contract to retain Cusack & Company to perform the 2008 Audit. Mr. Johnson seconded. Unanimous.**

Mr. McCarthy stated that he had completed his existing scope of services for The Authority. There is a new proposal to extend the services of Environmental Capital. Mr. Lawler stated that we have a \$40 million investment portfolio to manage, which requires oversight due diligence, reporting and we need an investment advisor to report to the board on how those investments are performing, and to walk us through financial statements. Mr. Lawler suggested that Mr. McCarthy prepare a detailed scope of services to present to the board for the next meeting.

Mr. Crist presented vouchers from Image Masters for \$3,659.86 to print the POS, Standard & Poor's for \$22,000 for the bond rating, and Wells Fargo for \$1,550 to serve as trustee. **Mr. King moved to approve these payments. Ms. Hynes seconded. Unanimous.**

On a motion by Mr. Johnson, seconded by Ms. Hynes the meeting was adjourned.

Respectfully submitted,

Rachel E. Soulier